

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **VICE CHAIR REPRESENTATIVE BOB LAKE**, on April 11, 2005 at 8:00 A.M., in Room 152 Capitol.

ROLL CALL

Members Present:

Rep. Gary Branae, Vice Chairman (D)
Rep. Bob Lake, Vice Chairman (R)
Rep. Norma Bixby (D)
Rep. Edward B. Butcher (R)
Rep. Margaret H. Campbell (D)
Rep. Jill Cohenour (D)
Rep. Tom Facey (D)
Rep. Wanda Grinde (D)
Rep. George G. Groesbeck (D)
Rep. Dennis Himmelberger (R)
Rep. Carol Lambert (R)
Rep. Dave McAlpin (D)
Rep. Jim Peterson (R)
Rep. Holly Raser (D)
Rep. John (Jack) W. Ross (R)
Rep. Brady Wiseman (D)

Members Excused: Rep. Karl Waitschies, Chairman (R)

Members Absent: Rep. John Balyeat (R)
Rep. Scott Sales (R)
Rep. Bill Warden (R)

Staff Present: Jeff Martin, Legislative Branch
Debra Polhemus, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: SB 48, 4/4/2005; SB 509, 4/4/2005;
SB 501, 4/4/2005; SB 442, 4/4/2005;
SB 115, 4/4/2005; SB 511, 4/4/2005

Executive Action:

HEARING ON SB 501

Opening Statement by Sponsor:

00:01:43 SEN. DAN MCGEE (R), SD 29, opened the hearing on SB 501, Tax credit for employers of national guard and reserve.

Proponents' Testimony:

00:02:40 Roger A. Hagen, Officer and Enlisted Associations, Montana National Guard
00:06:28 Ronda Carpenter-Wiggers, representing Great Falls and Helena Chamber of Commerce
00:07:22 Tina Whitaker, Montana Committee of the Employers Support of the Guard and Reserve
00:08:37 Riley Johnson, National Federation of the Independent Businesses

Opponents' Testimony: None.

Informational Testimony:

00:09:16 Jim McKeon, Montana Department of Revenue

Questions from Committee Members and Responses:

00:09:37 REP. ROSS
00:10:17 REP. RASER
00:13:01 REP. WISEMAN

Closing by Sponsor:

00:14:54 SEN. DAN MCGEE (R), closed the hearing on SB 501.

HEARING ON SB 442

Opening Statement by Sponsor:

00:16:16 SEN. MIKE COONEY (D), SD 40, opened the hearing on SB 442, Repeal POINTS replacement fee.

Proponents' Testimony:

00:18:59 Steve Austin, Montana Department of Revenue

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

00:19:35 **REP. WISEMAN**
00:23:29 **REP. PETERSON**
00:27:47 **REP. HIMMELBERGER**
00:30:36 **REP. PETERSON**

Closing by Sponsor:

00:31:52 **SEN. MIKE COONEY (D)** closed the hearing on **SB 442**.

HEARING ON SB 48

Opening Statement by Sponsor:

00:35:22 **SEN. DAN HARRINGTON (D), SD 38**, opened the hearing on **SB 48**, Stop class 8 property tax reduction.

00:37:09 *CHAIRMAN WAITSCHIES arrived at Committee Hearing.*

[EXHIBIT\(tah77a01\)](#)

[EXHIBIT\(tah77a02\)](#)

[EXHIBIT\(tah77a03\)](#)

[EXHIBIT\(tah77a04\)](#)

Proponents' Testimony:

00:45:10 Evan Barrett, Governor's Office of Economic Development

00:49:07 Bill Penn, Butte SilverBow Economic Development

[EXHIBIT\(tah77a05\)](#) Jim Smitham, Executive Director, Butte Local Development Corporation via letter

00:51:00 L. Harold Blattie, Montana Association of Counties

[EXHIBIT\(tah77a06\)](#) Dennis Hoyem via letter

00:53:41 Linda Gryczan, Montana League of Women's Voters

00:54:58 Don Judge, representing Teamsters Local #190

00:56:48 Dan Bucks, Director, Montana Department of Revenue

[EXHIBIT\(tah77a07\)](#)

[EXHIBIT\(tah77a08\)](#)

01:05:38 Tom Bilodeau, Research Director, MEA/MFT

01:05:57 Jerry Driscoll, Montana AFL-CIO

Opponents' Testimony:

01:06:41 Webb Brown, Montana Chamber of Commerce also
speaking for the Montana Taxpayers Association
01:12:01 Gary Forrester, representing Montana Contractors
Association
01:12:34 Riley Johnson, National Federation of Independent
Businesses also speaking for Great Falls and
Helena Chamber of Commerce
01:17:43 Steve Snezek, representing Montana Grain Growers
Association also speaking for Montana Farm Bureau
Federation

EXHIBIT (tah77a09) Jeffrey A. Love, King Avenue Video, Billings
via letter

EXHIBIT (tah77a10) Doug Aita, President, Tape King, Inc.,
Bozeman via letter

Informational Testimony: None.

Questions from Committee Members and Responses:

01:19:23 **REP. BRANAE**
01:23:36 **REP. COHENOUR**
01:29:53 **REP. WISEMAN**
01:32:48 **CHAIRMAN WAITSCHIES**
01:33:28 **REP. BUTCHER**
01:40:06 **REP. HIMMELBERGER**
01:45:42 **CHAIRMAN WAITSCHIES**
01:50:14 **REP. ROSS**
01:54:05 **REP. GROESBECK**

Closing by Sponsor:

01:57:33 **SEN. DAN HARRINGTON (D)** closed the hearing on **SB 48.**

EXHIBIT (tah77a11) letter of support from Dick King, President,
Montana Economic Developers Association

02:01:41 Break
02:11:27 Resume

HEARING ON SB 509

Opening Statement by Sponsor:

02:11:33 **SEN. DAN HARRINGTON (D), SD 38,** opened the hearing
on **SB 509,** Graduated minimum payment of corporate
license tax.

EXHIBIT (tah77a12)

EXHIBIT (tah77a13)

Proponents' Testimony: None.

Opponents' Testimony:

02:17:29 Bruce Spencer, Montana Automobile Dealers
Association
02:21:10 Riley Johnson, National Federation of Independent
Businesses
02:27:58 Frank Cote, representing American's Health
Insurance Plans and Farmers Union Health Insurance
Company
02:25:38 Greg Van Horssen, State Farm Insurance Company

Informational Testimony:

02:26:05 Larry Finch, Montana Department of Revenue

Questions from Committee Members and Responses:

02:26:28 REP. LAKE
02:28:00 REP. BUTCHER
02:31:18 REP. GROESBECK
02:36:19 REP. BUTCHER

Closing by Sponsor:

02:37:36 SEN. DAN HARRINGTON (D) closed the hearing on SB
509.

HEARING ON SB 115

Opening Statement by Sponsor:

02:40:11 SEN. JON TESTER (D), SD 15, opened the hearing on
SB 115, Equitable taxation of wind energy
facilities.

Proponents' Testimony:

02:41:37 Art Compton, Montana Department of Environmental
Quality

02:43:00 Bob Quinn, Organic Farmer, Big Sandy, Wind Park
Solutions of America

[EXHIBIT \(tah77a14\)](#)

[EXHIBIT \(tah77a15\)](#)

[EXHIBIT \(tah77a16\)](#)

[EXHIBIT \(tah77a17\)](#)

02:50:42 Richard Moe, Chair, Wheatland County Board of
Commissioners

02:52:28 Greg Jergeson, Chairman, Montana Public Service
Commission

02:54:24 **SEN. DAVE LEWIS, SD 42**

02:56:32 **REP. JIM PETERSON, HD 30**

02:58:12 Steve Snezek, representing Montana Grain Growers
Association and the Montana Farm Bureau Federation

02:58:58 Mike Pichette, Northwestern Energy

02:59:23 Patrick Judge, Montana Environmental Information
Center

03:00:34 **REP. ED BUTCHER, HD 29**

Opponents' Testimony:

03:02:25 **REP. JIM KEANE, HD 75**

03:05:09 Jerry Driscoll, Montana AFL-CIO

03:09:35 Dan Flynn, IBW Local #44

Informational Testimony:

03:11:12 Gene Walborn, Montana Department of Revenue

Questions from Committee Members and Responses:

03:11:36 **REP. WISEMAN**

03:13:55 **REP. GROESBECK**

03:19:53 **REP. COHENOUR**

03:20:58 **REP. RASER**

03:22:47 **REP. FACEY**

03:23:58 **CHAIRMAN WAITSCHIES**

Closing by Sponsor:

03:29:15 **SEN. JON TESTER (D)** closed the hearing on **SB 115**.

03:31:01 Break

03:32:00 Resume

HEARING ON SB 511

Opening Statement by Sponsor:

03:32:14 **SEN. JEFF MANGAN (D), SD 12**, opened the hearing on **SB 511**, Allow deduction of stock capital gains from qualified start-up corporations.

Proponents' Testimony:

03:35:38 Cameron Lewis, Equitas Management, Victor
03:39:20 Brenda Jurgens, Western Montana resident
03:43:47 Joe Mazurek, representing D. A. Davidson & Company
03:44:49 Webb Brown, Montana Chamber of Commerce
03:45:28 Robert Heffner, Business Lender and Business
 Financing Advisor, Missoula

EXHIBIT (tah77a18)

Opponents' Testimony:

03:55:20 Dan Bucks, Director, Montana Department of Revenue

Informational Testimony: None.

Questions from Committee Members and Responses:

04:08:22 **REP. WISEMAN**
04:10:54 **REP. FACEY**
04:14:11 **REP. RASER**

Closing by Sponsor:

04:15:03 **SEN. JEFF MANGAN (D)** closed the hearing on **SB 511**.

ADJOURNMENT

Adjournment: 12:30 P.M.

REP. KARL WAITSCHIES, Chairman

DEBRA POLHEMUS, Secretary

KW/dp

Additional Exhibits:

EXHIBIT ([tah77aad0.TIF](#))